

Appendix 8:

Budget Bill & Decision Brief

Decision Brief
for
The Honorable Mark R. Warner

Request: The Department of Emergency Management (DEM) has requested the transfer of funds from the Governor's sum sufficient account for disaster planning and operations to the DEM disaster planning and operations program. Thus far the Governor has authorized \$6.25 million to support the state's portion of the match required for the (1) Other Needs Assistance (ONA) grants (successor to the Individual and Family Assistance grants) and (2) Public Assistance Grants that are related to supplying water/ice and debris removal. Additional funding is needed to permit the DEM to continue providing the required state share to assist individuals, localities and state agencies that were impacted from the hurricane that struck Virginia on September 18 through September 19, 2003.

Recommendation: It is recommended that the Governor authorize the transfer of up to \$38.7 million to the Department of Emergency Management (DEM) for the state's share of the cost of this disaster. Approving this amount the Governor will be authorizing \$44.9 million of state funding toward this disaster. The authorized funding will continue to support the state's portion of the match required for the (1) Other Needs Assistance (ONA) grants (successor to the Individual and Family Assistance grants) and (2) Public Assistance Grants. It will also provide funding for Public Assistance costs (primarily debris removal), Hazard Mitigation costs (limited to costs associated with event preparation), the National Resources Conservation Service projects, and various direct federal mission assignments. Authority for this action is provided in Item 47 of the Appropriation Act (Chapter 1042 of the 2003 Acts of Assembly) and §44-146.28 of the Code of Virginia.



Richard D. Brown, DPB Director

11/20/03

Date

CONCURRENCE

Secretary of Public Safety:

Recommend ☒
Recommend w/ Modification ☒
Deny ☒

John W. Marshall

Date

11/20/03

Secretary of Finance:

Recommend ☒
Recommend w/ Modification ☒
Deny ☒

John M. Bennett

Date

11/20/03

APPROVAL

Approve ☒

Approve w/ Modification ☐

Deny ☐

Governor:

Mark R. Warner

Date

11-20-03

Background: Since September 15, 2003, the Commonwealth of Virginia and its citizens have been involved in the preparation, response, and recovery of the impact from Hurricane Isabel. The impact lasted approximately 19 hours, with the most severe and widespread damage occurring from about 6:00 p.m. Thursday, September 18, 2003, through Friday, September 19, 2003. During that period Virginia experienced hurricane force winds, flash flooding, storm surges up to 8 feet, and up to 20 inches of rain.

To assist citizens and localities to prepare for the onslaught of the hurricane, Governor Mark R. Warner issued Executive Order 56 (2003) that declared a state of emergency on Monday, September 15, 2003. The Virginia Public Inquiry Center was activated on September 16, 2003. On Wednesday, September 17, 2003, Governor Warner authorized mandatory evacuation for low-lying areas, locations of vulnerable light-construction dwellings, and other risk areas deemed appropriate by local officials in designated coastal jurisdictions. Nearly 50,000 coastal residents evacuated from low-lying areas with many going to hotels, homes of family and friends, or shelters.

During the storm, 128 shelters were reported established with occupancy totaling approximately 13,867 people. The result of the hurricane was widespread power outages, more than 789 homes destroyed, 8,465 homes with major damage, significant amounts of debris requiring removal, and closed roads and tunnels. As of September 28, about 164,000 customers remain without power. There have been twenty-five confirmed storm related fatalities.

Various Emergency Operations Centers have been activated. The Virginia Emergency Operations Center has been fully augmented with state agencies including State Police, Department of Military Affairs, Department of Health, Department of Corrections, Department of Fire Programs, Department of Social Services, Department of Emergency Management, Department of Transportation, and Department of Environmental Quality. The Federal Emergency Management Agency (FEMA), U.S. Navy Assistance, Dominion Virginia Power, and American Red Cross have been coordinating their resources since Wednesday, September 17, 2003.

On September 18, 2003, President George W. Bush granted a federal disaster declaration to Virginia within hours of Governor Warner's request. Thus far, 99 jurisdictions have been approved for federal aid in the individual assistance and public assistance programs to help address Hurricane Isabel's significant impact on Virginia.

Compounding the devastation from Hurricane Isabel was the early morning storm front that came through on September 23, 2003. This storm brought more heavy rain and five tornadoes resulting in additional damage.

Discussion: In the case of a presidentially declared disaster, the federal government provides financial assistance under several programs. The Federal Emergency Management Agency (FEMA) administers most of those programs. Generally, a 25 percent match from non-federal sources is a provision for assistance under those programs. For those programs in which the state participates, the source of funds is usually the sum sufficient appropriation to the Governor for disaster response and recovery.

The primary focus of activities for the Department of Emergency Management (DEM) is as follows:

- Coordinate state/federal response activities, including mission assignments to state agencies and federal agencies to assist with debris removal operations, feeding, water delivery, hazardous materials response and recovery.
- Implement the federal Individual Assistance (IA) programs, which include the Other Needs Assistance (ONA) grants (successor of the Individual and Family grant program). Under the federal IA program, FEMA will cover 100 percent of costs for temporary housing and minimal home repairs. Under the ONA grants that assist victims who have no other source of financial assistance (federal, state or individual insurance funds), FEMA pays 75 percent and requires a 25 percent non-federal match. The Small Business Administration provides federally guaranteed, low interest disaster recovery loans to businesses, renters and homeowners.
- Document the response and repair costs for the FEMA Public Assistance (PA) Program for local governments, state agencies and certain non-profit organizations (PNP). Under the Public Assistance Program, FEMA funds 75 percent of eligible costs. The Commonwealth typically funds 25 percent of state agency costs, with the exception of the Virginia Department of Transportation whose match for repairs normally comes from their maintenance program funded by the Highway Trust Fund or other sources. Based on the Commission on Local Government fiscal stress index, the state typically funds from 10 percent to 25 percent of the local government cost. There is no state share for PNP organizations.

Attachment I represents the most accurate estimate of the costs for this disaster at this time. These costs will be further refined as information is acquired. Attachment II identifies the amounts already authorized by the Governor, the current amounts being requested and the estimated balances by category. Attachment III provides more detail of the estimated Public Assistance costs for the various state agencies. It should be noted that a subsequent decision brief might be submitted to request additional sum sufficient funds as figures become even more finalized.

Recommendation: It is recommended that the Governor authorize the transfer of up to \$38.7 million to the Department of Emergency Management (DEM) for the state's share of the cost of this disaster. The estimated breakout for these dollars can be seen in Attachment II. The authorized funding will continue to support the state's portion of the match required for the (1) Other Needs Assistance (ONA) grants (successor to the Individual and Family Assistance grants), (2) Public Assistance grants for localities and state agencies (excluding VDOT), (3) limited hazard mitigation costs, (4) direct federal mission assignments and (5) the National Resources Conservation Service projects.

It is important to note that this request represents the majority of what the Department of Emergency Management (DEM) is estimating as the state's share of the costs for this disaster. The amounts not currently requested are related to hazard mitigation costs yet to be determined and VDOT costs. As such, the DEM will be required to submit a subsequent decision brief for additional state funding.

Authority for this action is provided in Item 47 of the Appropriation Act (Chapter 1042 of the 2003 Acts of Assembly) and §44-146.28 of the Code of Virginia.

It is also recommended that the Department of Planning and Budget be directed to oversee the release of these funds, ensuring that amounts transferred for disaster assistance are only for costs clearly eligible for reimbursement.

References:

- Decision Brief signed by the Governor on October 9, 2003, authorizing sum sufficient funding for Hurricane Isabel.
- Executive Order 56 (2003), signed by Governor Warner September 15, 2003.
- Item 47, Chapter 1042, 2003 Acts of Assembly.
- § 44-146.28 of the Code of Virginia.
- Memo from Kim D. Brewer, Department of Emergency Management, to John Crooks, Department of Planning and Budget, dated September 24, 2003, requesting sum sufficient funding.

ATTACHMENT I

ESTIMATED COSTS FROM HURRICANE ISABEL

<u>Program</u>	<u>State Share</u>	<u>Federal Share</u>	<u>Local Share</u>	<u>Totals</u>
Disaster Housing	\$0	\$30,000,000	\$0	\$30,000,000
Other Needs Assistance	\$5,250,000	\$15,750,000	\$0	\$21,000,000
Crisis Counseling	\$0	\$643,228	\$0	\$643,228
Direct Federal Missions	\$3,880,176	\$21,563,385	\$0	\$25,443,561
Disaster Unemployment	\$0	\$300,000	\$0	\$300,000
Public Assistance				
Localities	\$29,418,959	\$110,321,098	\$7,354,740	\$147,094,797
Other State Agencies	\$4,003,727	\$12,011,180	\$0	\$16,014,906
Higher Education	\$1,641,518	\$4,924,553	\$0	\$6,566,071
VDOT	\$20,000,000	\$60,000,000	\$0	\$80,000,000
Hazard Mitigation	\$3,832,702	\$14,372,631	\$958,175	\$19,163,508
National Resources Conservation Service Projects	\$9,498	\$28,495	\$0	\$37,993
Total Estimated Costs	\$68,036,579	\$269,914,570	\$8,312,915	\$337,951,149

NOTES:

Cost estimates are for FEMA eligible costs and per discussions with DEIM's Harry Colestock on 11/10/03.

Figures for public assistance could vary considerably.

Public assistance for localities reflects a 20 percent state share and 5 percent local share.

ATTACHMENT II

ESTIMATED STATE COSTS BY CATEGORY

	Estimated State Cost	Previously Authorized	Balance of Estimate	Current Request	Estimated Balance
ESTIMATED TOTALS	\$68,036,579	\$6,250,000	\$61,786,579	\$38,653,878	\$23,132,702
Other Needs Assistance Grants	\$5,250,000	\$5,250,000	\$0	\$0	\$0
Hazard Mitigation	\$3,832,702	\$0	\$3,832,702	\$700,000	\$3,132,702
Public Assistance -- Localities	\$29,418,959	\$1,000,000	\$28,418,959	\$28,418,959	\$0
Public Assistance -- State Agencies (excludes VDOT)	\$5,645,244	\$0	\$5,645,244	\$5,645,244	\$0
Direct Federal Mission Assignments	\$3,880,176	\$0	\$3,880,176	\$3,880,176	\$0
National Resources Conservation Service Projects	\$9,498	\$0	\$9,498	\$9,498	\$0
VDOT (not recommended for general fund match)	\$20,000,000	\$0	\$20,000,000	\$0	\$20,000,000

NOTES:

Unless otherwise noted, authorization is not requested per any one category because the amount in any category can change. For instance, if balance occurs in Public Assistance, balance could be used to address shortfall in Direct Federal Mission Assignments.

The state match cost figures are estimates as of 11/10/03.

Hazard mitigation funding is limited in this request to estimated pre-event planning costs.

VDOT funding is not being recommended in this brief.

ATTACHMENT III

Estimated State Costs By Agency

State Agencies	CAT A	CAT B	CAT C	CAT D	CAT E	CAT F	CAT G	TOTALS
	Debris Clearance	Emergency Protective Measures	Road Systems	Water Control	Public Buildings/ Equipment	Public Utility Systems	Park and Rec	
Dept of Agriculture	\$0	\$0	\$0	\$0	\$0	\$0	\$7,637	\$7,637
Dept of Aviation	\$0	\$432	\$0	\$0	\$0	\$0	\$0	\$432
Dept Conservation & Recreation	\$7,152,750	\$68,571	\$34,750	\$367,529	\$2,410,330	\$13,295	\$0	\$10,047,233
VA State Climatology	\$0	\$1,287	\$0	\$0	\$0	\$0	\$0	\$1,287
Dept of Corrections	\$0	\$950,000	\$0	\$0	\$0	\$0	\$0	\$950,000
Dept of Emergency Management	\$0	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$1,000,000
Dept of Forestry	\$3,000	\$37,000	\$616,000	\$0	\$0	\$0	\$0	\$656,000
Dept of General Services	\$49,500	\$169,716	\$0	\$0	\$23,104	\$0	\$0	\$242,320
Dept of Inland Game & Fisheries	\$25,000	\$25,000	\$250,000	\$0	\$27,500	\$0	\$625,000	\$952,500
Marine Resources Comm	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$10,000
Dept of Mental Health	\$51,506	\$787,709	\$300	\$4,800	\$130,840	\$0	\$446,941	\$1,428,095
Dept of Military Affairs	\$0	\$36,900	\$0	\$0	\$17,500	\$214,000	\$20,000	\$271,700
Dept of Motor Vehicles	\$14,000	\$0	\$0	\$0	\$0	\$0	\$0	\$20,500
Dept of State Police	\$0	\$417,402	\$0	\$0	\$0	\$0	\$0	\$417,402
Subtotals	\$7,202,753	\$3,454,017	\$901,050	\$372,329	\$2,627,074	\$228,095	\$1,099,578	\$16,014,906
Collages & Univeralities								
Richard Bland College	\$75,000	\$0	\$0	\$0	\$80,000	\$0	\$0	\$135,000
VA Community College System	\$283,168	\$70,450	\$20,000	\$5,259,000	\$191,392	\$18,000	\$110,000	\$5,952,010
College of William & Mary	\$150,000	\$109,000	\$20,000	\$5,000	\$100,000	\$5,000	\$10,000	\$390,000
Norfolk State University	\$9,920	\$43,791	\$0	\$0	\$35,344	\$0	\$0	\$89,055
Subtotals	\$518,088	\$214,247	\$40,000	\$5,264,000	\$306,736	\$23,000	\$120,000	\$8,566,071
VDOT Estimated Costs								\$80,000,000
State Agency Totals	\$7,810,851	\$3,709,264	\$941,050	\$5,635,329	\$3,013,810	\$251,095	\$1,219,578	\$102,580,977
Hardest Hit State Parks								
Pocharitas - Chesterfield	\$1,800,000	\$10,000	\$0	\$5,000	\$150,200	\$0	n/a	n/a
York River - James City	\$1,000,000	\$1,000	\$20,000	\$150,000	\$20,000	\$5,000	n/a	n/a
Chippokes - Surry	\$1,387,930	\$970	\$0	\$0	\$29,555	\$845	n/a	n/a
Westmoreland - Westmoreland	\$1,595,000	\$1,000	\$9,800	\$30,025	\$593,135	\$5,000	n/a	n/a
Subtotals	\$5,582,930	\$12,976	\$29,800	\$185,025	\$802,890	\$10,845	n/a	n/a

OCT 16 '03 PM1:57

Decision Brief
for
The Honorable Mark R. Warner

Request: The Department of Emergency Management (DEM) has requested the transfer of funds from the Governor's sum sufficient account for disaster planning and operations to the DEM disaster planning and operations program. In Executive Order 56 (2003), the Governor authorized up to \$250,000 for matching funds for the Individuals and Household Program. Additional funding is needed to permit the DEM to continue providing the required state share to assist individuals and localities that were impacted from the hurricane that struck Virginia on September 18 through September 19, 2003.

Recommendation: It is recommended that the Governor authorize the transfer of up to \$6.0 million to the Department of Emergency Management (DEM) for the state share of the cost of this disaster. This amount is in addition to the \$250,000 authorized in Executive Order 56 (2003). The authorized funding will support the state's portion of the match required for the (1) Other Needs Assistance (ONA) grants (successor to the Individual and Family Assistance grants) and (2) Public Assistance Grants that are related to supplying water/ice and debris removal. It is important to note that this request is only the initial request by DEM to address the state's share of the costs for this disaster. The DEM will be required to submit subsequent decision briefs reflecting additional costs for Public Assistance, Hazard Mitigation and, if warranted, ONA grant and direct federal mission assignment funding. Authority for this action is provided in Item 47 of the Appropriation Act (Chapter 1042 of the 2003 Acts of Assembly) and §44-146.28 of the Code of Virginia.



Richard D. Brown, DPB Director

Sept. 29, 2003

Date

CONCURRENCE

Secretary of Public Safety:

Recommend ☒
Recommend w/ Modification ☐
Deny ☐



John W. Marshall

9/29/03

Date

Secretary of Finance:

Recommend ☒
Recommend w/ Modification ☐
Deny ☐



John M. Bennett

9/30/03

Date

APPROVAL

Approve ☒Approve w/ Modification ☐Deny ☐

Governor:



Mark R. Warner

10/9/03

Date

OK AMT/JSK

Background: Since September 15, 2003, the Commonwealth of Virginia and its citizens have been involved in the preparation, response, and recovery of the impact from Hurricane Isabel. The impact lasted approximately 19 hours, with the most severe and widespread damage occurring from about 6:00 p.m. Thursday, September 18, 2003, through Friday, September 19, 2003. During that period Virginia experienced hurricane force winds, flash flooding, storm surges up to 8 feet, and up to 20 inches of rain.

To assist citizens and localities to prepare for the onslaught of the hurricane, Governor Mark R. Warner issued Executive Order 56 (2003) that declared a state of emergency on Monday, September 15, 2003. The Virginia Public Inquiry Center was activated on September 16, 2003. On Wednesday, September 17, 2003, Governor Warner authorized mandatory evacuation for low-lying areas, locations of vulnerable light-construction dwellings, and other risk areas deemed appropriate by local officials in designated coastal jurisdictions. Nearly 50,000 coastal residents evacuated from low-lying areas with many going to hotels, homes of family and friends, or shelters.

During the storm, 128 shelters were reported established with occupancy totaling approximately 13,867 people. The result of the hurricane was widespread power outages, more than 789 homes destroyed, 8,465 homes with major damage, significant amounts of debris requiring removal, and closed roads and tunnels. As of September 28, about 164,000 customers remain without power. There have been twenty-five confirmed storm related fatalities.

Various Emergency Operations Centers have been activated. The Virginia Emergency Operations Center has been fully augmented with state agencies including State Police, Department of Military Affairs, Department of Health, Department of Corrections, Department of Fire Programs, Department of Social Services, Department of Emergency Management, Department of Transportation, and Department of Environmental Quality. The Federal Emergency Management Agency (FEMA), U.S. Navy Assistance, Dominion Virginia Power, and American Red Cross have been coordinating their resources since Wednesday, September 17, 2003.

On September 18, 2003, President George W. Bush granted a federal disaster declaration to Virginia within hours of Governor Warner's request. Thus far, 99 jurisdictions have been approved for federal aid in the individual assistance and public assistance programs to help address Hurricane Isabel's significant impact on Virginia.

Compounding the devastation from Hurricane Isabel was the early morning storm front that came through on September 23, 2003. This storm brought more heavy rain and five tornadoes resulting in additional damage.

Discussion: In the case of a presidentially declared disaster, the federal government provides financial assistance under several programs. The Federal Emergency Management Agency (FEMA) administers most of those programs. Generally, a 25 percent match from non-federal sources is a provision for assistance under those programs. For those programs in which the state participates, the source of funds is usually the sum sufficient appropriation to the Governor for disaster response and recovery.

The primary focus of activities for the Department of Emergency Management (DEM) is as follows:

- Coordinate state/federal response activities, including mission assignments to state agencies and federal agencies to assist with debris removal operations, feeding, water delivery, hazardous materials response and recovery.
- Implement the federal Individual Assistance (IA) programs, which include the Other Needs Assistance (ONA) grants (successor of the Individual and Family grant program). Under the federal IA program, FEMA will cover 100 percent of costs for temporary housing and minimal home repairs. Under the ONA grants that assist victims who have no other source of financial assistance (federal, state or individual insurance funds), FEMA pays 75 percent and requires a 25 percent non-federal match. The Small Business Administration provides federally guaranteed, low interest disaster recovery loans to businesses, renters and homeowners.
- Document the response and repair costs for the FEMA Public Assistance (PA) Program for local governments, state agencies and certain non-profit organizations (PNP). Under the Public Assistance Program, FEMA funds 75 percent of eligible costs. The Commonwealth funds 25 percent of state agency costs with the exception of the Virginia Department of Transportation whose match for repairs comes from their maintenance program funded by the Highway Trust Fund or other sources. Based on the Commission on Local Government fiscal stress index, the state funds from 10 percent to 25 percent of the local government cost. There is no state share for PNP organizations.

Attachment I represents the most accurate estimate of the costs for this disaster at this time. These costs will be further refined as information is acquired. A subsequent decision brief will be submitted to request additional sum sufficient funds once more complete information is available.

Conclusion: It is recommended that the Governor authorize the transfer of up to \$6.0 million to the Department of Emergency Management (DEM) for the state share of the cost of this disaster. The breakout for these dollars can be seen in Attachment II. This amount is in addition to the \$250,000 authorized in Executive Order 56 (2003). The authorized funding will support the state's portion of the match required for the (1) Other Needs Assistance (ONA) grants (successor to the Individual and Family Assistance grants) and (2) Public Assistance Grants that are related to supplying water/ice and debris removal. No funding authorization is recommended for hazard mitigation and direct federal mission assignments at this time. The funding is not required immediately and can be included in future decision briefs once more accurate data is available.

It is important to note that this request is only the initial request by DEM to address the state's share of the costs for this disaster. This request is submitted with only a portion of the estimated damage amounts documented because of the urgency to get funding to those with the most immediate needs. As such, the DEM will be required to submit subsequent decision briefs reflecting additional costs for Public Assistance, Hazard Mitigation and, if warranted, ONA grant and direct federal mission assignment funding. It is anticipated that the recommended funding will be sufficient until the DEM has more accurate and definitive cost data, which is expected to be ready in approximately

three weeks. Authority for this action is provided in Item 47 of the Appropriation Act (Chapter 1042 of the 2003 Acts of Assembly) and §44-146.28 of the Code of Virginia.

References:

- Executive Order 56 (2003), signed by Governor Warner September 15, 2003.
- Item 47, Chapter 1042, 2003 Acts of Assembly.
- § 44-146.28 of the Code of Virginia.
- Memo from Kim D. Brewer, Department of Emergency Management, to John Crooks, Department of Planning and Budget, dated September 24, 2003, requesting sum sufficient funding.

ATTACHMENT I

Hurricane Isabel

As of 9/24/2003

ESTIMATED COSTS BY CATEGORY (AS OF 9/24/03)

	State Costs	Federal Cost	Local Costs	Est. Total Cost
<i>Total Estimated Costs:</i>	\$ 50,425,000 \$	177,525,000 \$	8,750,000 \$	236,700,000 \$
Other Needs Assistance Grants (successor to the Individual & Family Assistance Grant)	\$ 2,000,000 \$	6,000,000 \$	- \$	8,000,000 \$
Hazard Mitigation (Advanced Planning)	\$ 675,000 \$	2,025,000 \$	- \$	2,700,000 \$
Public Assistance or Private Non-Profits (about half of the counties and cities, no state agencies, towns)	\$ 35,000,000 \$	131,250,000 \$	8,750,000 \$	175,000,000 \$
Direct Federal Mission Assignments	\$ 12,750,000 \$	38,250,000 \$	- \$	51,000,000 \$

ATTACHMENT II

STATE COSTS BY CATEGORY *

	Estimated Non-Federal Match	Authorized	Recommended	Estimated Match Balance
<i>Totals</i>	\$ 50,425,000	\$ 250,000	\$ 6,000,000	\$ 44,175,000
Other Needs Assistance Grants	\$ 2,000,000	\$ 250,000	\$ 1,750,000	\$ -
Hazard Mitigation (Advanced planning)	\$ 675,000	\$ -	\$ -	\$ 675,000
Public Assistance (Local ice/water/debris)	\$ 35,000,000	\$ -	\$ 4,250,000	\$ 30,750,000
Direct Federal Mission Assignments	\$ 12,750,000	\$ -	\$ -	\$ 12,750,000

* The non-federal match cost figures are estimates as of 9/24/03. As such, actual funding needs may vary.